



Comptroller General  
of the United States  
Washington, D.C. 20548

## Decision

Matter of: National Mailing Systems, Inc.

File: B-240045

Date: October 22, 1990

Thomas J. Bitar, Esq., Dillon, Bitar & Luther, for the protester.  
Leigh Ann Holt, Esq., General Services Administration, for the agency.  
Chris E. Hagberg, Esq., Seyfarth, Shaw, Fairweather & Geraldson, for Pitney Bowes, Inc., an interested party.  
James M. Cunningham, Esq., Paul Lieberman, Esq., and John F. Mitchell, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

### DIGEST

Where request for proposals provides for award to lowest-priced offeror, contracting agency properly awarded to low offeror where agency reasonably determined that proposal and descriptive literature submitted by offeror established that its proposed equipment conformed to the agency's technical requirements.

### DECISION

National Mailing Systems, Inc. protests the award of a contract to Pitney Bowes, Inc. (PBI) under request for proposals (RFP) No. FCGE-89-0009-N, issued by the General Services Administration (GSA) on November 8, 1989 for mailing machines, mailing scales, postage meters, and associated maintenance for Indian Health Service offices around the country. National contends award to PBI was improper because PBI's descriptive literature shows that the equipment offered does not comply with the RFP specifications.

We deny the protest.

The RFP stated that a fixed price contract would be awarded to the low, aggregate offeror. The RFP required offerors to submit descriptive literature which would "show that the product offered conforms to the requirements" of the RFP. Both National and PBI submitted offers by the January 9, 1990, closing date. Discussions were conducted, and best and final offers (BAFOs) were received. Award was made to PBI as the

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lowest priced, technically acceptable offeror at a price of \$276,399 on May 25, 1990. National was the next low offeror at a substantially higher price.

#### Mailing Machines, Mailing Scales and Accounting System

The specification required interfacing capability between the mailing machines and an "accounting system and scale." This specification had been clarified by a "Notice Concerning Solicitation," which GSA provided to offerors by means of amendment 2 of the RFP.<sup>1/</sup> This notice explained the machines, scales, and accounting system were only required to "have the capability to interface, once the equipment is installed, in order to expand the system to interface, at a later date." (Emphasis supplied.)

National states that its proposal included "this interface for an accounting system and scale" at a substantial cost, including the separate cost for an accounting system which had not been set out as an RFP line item. National argues that PBI impermissibly failed to propose or price this interface and accounting system. Since PBI represented in its offer that the company's mailing machines are capable of interfacing with an accounting system and scale, GSA contends that it properly found PBI's offer to comply with the RFP's requirement for interfacing capability.

We agree that National's reading of the specifications is beyond the stated requirement. The specification required only interfacing capability, not that the interface and the associated system be provided. Further, the notice included with amendment 2 specifically explained that offers should not provide for the complete capability to interface with an accounting system and scale at the time of the original purchase, but only provide for a basic capability which could be expanded through GSA's subsequent purchase, for example, of an accounting system at additional cost to fully interface at a later date. Consequently, and since PBI's offer did provide the required capability to interface, we deny this ground of protest.

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<sup>1/</sup> National argues that this information notice "did not form a part of the RFP" since RFP amendment No. 2, which issued the notice, did not expressly mention the notice. However, since the notice specifically referenced the solicitation and contained questions and answers concerning the solicitation clauses being amended, the notice was obviously included as clarification of this amendment.

## Postage Meters

### A. Manual Resetting

The specification requires offerors to propose prices for 41 "desk top manual stand alone" meters. PBI offered its "electronic desk top mailing system" which, according to PBI's literature, "[allows an individual to] add postage . . . without leaving your Office . . . [A] simple phone call does it." National notes that the RFP specifies that "postage-by-phone" capability exists at only a few of the offices to be served and argues that PBI's proposal to supply these meters was contrary to the RFP's clear implication that the bulk of these meters be "manual" in operation--that is, be capable of being reset at a local post office.

GSA points out that "nothing in the representations by PBI or in the descriptive literature indicated that the postage meters could not be reset manually." GSA argues that it reasonably found PBI's meters to comply with the RFP's "manual" requirement based on PBI's descriptive literature and PBI's implicit representation in its proposal that its meter would comply with all requirements.

The contracting agency is responsible for evaluating the data supplied by an offeror; we will not disturb the agency's technical determination unless it is shown to be unreasonable. Pitney Bowes, Inc., B-236302, Dec. 4, 1989, 89-2 CPD ¶ 511. We find that GSA reasonably found PBI's proposal to comply with the requirements for these postal meters in view of PBI's representations. In fact, even National acknowledges that the contracting officer could have read PBI's literature as showing that these meters could be used for other than postage-by-phone systems. Nevertheless, National argues that under "section 144.38 of the Domestic Mail Manual" PBI's proposed postal meters will categorically be refused resetting at any post office. However, since GSA reasonably determined that PBI's meters provided the required manual operation capability, which National's argument in this regard inherently concedes, the question of whether PBI may encounter difficulties in complying with the requirement is a matter of contract administration which our Office does not review.

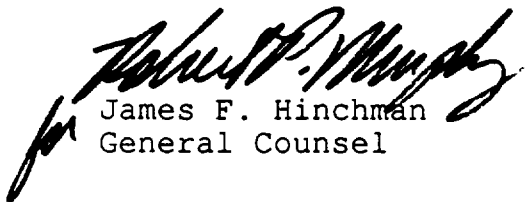
## B. Meter Reports

Finally, National questions PBI's compliance with the original RFP specification which provides that all "meters must have the capability to generate monthly and quarterly postage reports for all meters in use" and "be able to produce a master account and be able to budget each meter in use." This original RFP specification was also clarified by the offeror's notice, discussed above, which stated that these specifications were for a "system that supports the postage meters to generate the reports;" however, the system was only to "have the option to be expanded to generate reports." (Emphasis supplied.)

GSA argues that it reasonably determined PBI's compliance will these specifications since PBI represented in its proposal its "meter has the capability to generate monthly and quarterly postage reports" and that it would "set/up a master account for all meters in use and [would] set a budget for each meter in use." Further, PBI's brochure for the stand-alone, manual meter states that the meter "gives you electronic postage accounting, tracks cost and the number of pieces processed." PBI's brochure for the electronic postage meter states that the unit "shows postage values, amount of postage used, and the amount remaining in the meter" and "interfaces with . . . accounting systems to maximize throughput and productivity." In view of these representations and brochure statements, GSA argues that it reasonably found PBI's proposal compliant with these specifications.

We agree with GSA that PBI's representations in its proposal were unequivocal that the company's meters had the basic capability to generate the required reports and that PBI would establish a master account and budget. In view of these representations and the specification's clear statement that this basic capability could later be "expanded"--for example, through the addition of an master account, budget, and accounting system--in order to provide the required reports, we find reasonable GSA's conclusion that PBI's proposal complied with these specifications.

The protest is denied.

  
James F. Hinchman  
General Counsel